

Before the  
Federal Communications Commission  
Washington, D.C. 20554

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In the Matter of )  
 )  
Request for Review of a Decision of the )  
Universal Service Administrative Company )  
By )  
 ) File No. SLD-151960  
Genesee Intermediate School District )  
Flint, Michigan )  
 )  
Federal-State Joint Board on ) CC Docket No. 96-45  
Universal Service )  
 )  
Changes to the Board of Directors of the ) CC Docket No. 97-21 ✓  
National Exchange Carriers Association, Inc. )

**ORDER****Adopted: June 1, 2001****Released: June 4, 2001**

By the Common Carrier Bureau:

1. Genesee Intermediate School District (Genesee) requests review of a decision by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC or Administrator).<sup>1</sup> Specifically, Genesee challenges SLD's decision concerning Genesee's application for discounts under the schools and libraries universal service support mechanism.<sup>2</sup> For the reasons set forth below, we deny Genesee's Request for Review.

2. Under the schools and libraries universal service support mechanism, eligible schools, libraries, and consortia that include eligible schools and libraries, may apply for discounts for eligible telecommunications services, Internet access, and internal connections.<sup>3</sup> In order to receive discounts on eligible services, the Commission's rules require that the applicant submit to the Administrator a completed FCC Form 470, in which the applicant sets forth its

<sup>1</sup> Letter from Beverly Knox-Pipes, Genesee Intermediate School District, Flint, Michigan, to Federal Communications Commission, filed July 31, 2000 (Request for Review). Section 54.719(c) of the Commission's rules provides that any person aggrieved by an action taken by a division of the Administrator may seek review from the Commission. 47 C.F.R. § 54.719(c).

<sup>2</sup> Letter from Schools and Libraries Division, Universal Service Administrative Company, to Beverly Knox-Pipes, Genesee Intermediate School District, Flint, Michigan, dated July 7, 2000 (Administrator's Decision).

<sup>3</sup> 47 C.F.R. §§ 54.502, 54.503.

technological needs and the services for which it seeks discounts.<sup>4</sup> Once the applicant has complied with the Commission's competitive bidding requirements and entered into agreements for eligible services, it must file an FCC Form 471 application to notify the Administrator of the services that have been ordered, the carriers with whom the applicant has entered into an agreement, and an estimate of funds needed to cover the discounts to be given for eligible services.<sup>5</sup> The applicant generally provides such information in items 15 and 16 of Block 5 of FCC Form 471.<sup>6</sup> In addition, SLD requests that applicants attach information relating to the service providers listed in items 15 and 16 describing the services that they will be providing to the applicants.<sup>7</sup>

3. Upon receipt and successful data entry of a FCC Form 471, SLD issues a Receipt Acknowledgement Letter (RAL), which summarizes the applicant's funding requests. Each of the funding requests listed in items 15 and 16 of the applicants FCC Form 471 that meet SLD's minimum processing standards and can be successfully entered into the database are listed.<sup>8</sup> The applicant may make certain types of corrections to its request during the two-week period after receipt of the RAL.<sup>9</sup>

4. In the instant Request for Review, Genesee seeks review of a decision by the Administrator to deny a funding request that was not identified on Block 5 of Genesee's FCC Form 471. We note that the Administrator approved three other funding requests from Genesee that were properly listed, albeit with some inaccurate information, on Block 5 of Genesee's FCC

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<sup>4</sup> 47 C.F.R. § 54.504(b)(1), (b)(3).

<sup>5</sup> 47 C.F.R. § 54.504(c).

<sup>6</sup> FCC Form 471, Genesee Intermediate School District, filed April 5, 1999 (Form 471).

<sup>7</sup> Schools and Libraries Universal Service, Services Ordered and Certification Form, OMB 3060-0806 (December 1998) (Form 471 Instructions). The information attached to describe the funding requests in items 15 and 16 is listed in Attachment 17 to FCC Form 471.

<sup>8</sup> Letter from Schools and Libraries Division, Universal Service Administrative Company, to Beverly Knox-Pipes, Genesee Intermediate School District, dated July 16, 1999 (Receipt Acknowledgement Letter). Every funding year, SLD establishes and notifies applicants of a "minimum processing standard" to facilitate the efficient review of the thousands of applications requesting funding. *See, e.g.*, SLD website, Form 471 Minimum Processing Standards and Filing Requirements for FY 2, [www.sl.universalservice.org/Reference/471\\_App\\_Guid\\_Docs/471mps.asp](http://www.sl.universalservice.org/Reference/471_App_Guid_Docs/471mps.asp). When an applicant submits an FCC Form 471 that omits an item subject to the minimum processing standard, SLD automatically rejects the application and returns it to the applicant.

<sup>9</sup> Receipt Acknowledgement Letter at 3. USAC's administrative practice, which is set forth on both its website and the Receipt Acknowledgement Letter, is to permit the applicant to correct data entry errors; change contact information; reduce the amount of requests included in an application; change the service provider identity number, if the original service provider has merged with or been acquired by the new service provider; or "unbundle" a funding request that incorrectly included services provided by multiple service providers, or included services from more than one eligible service category, if materials supporting the original FCC Form 471 confirm the distinctions. *See* [www.sl.universalservice.org](http://www.sl.universalservice.org). USAC does not permit applicants to make changes that increase the amount of support requested, or that request services not initially requested. *See* Receipt Acknowledgement Letter at 3.

Form 471.

5. On April 5, 1999, Genesee filed its FCC Form 471 with SLD. In Block 5, item 15 of its FCC Form 471, Genesee indicated that it was seeking discounts for internal connections from three service providers. Specifically, Genesee listed the service providers as Clover Technologies, RJ Networking, and MidWest Business.<sup>10</sup> In Attachment 17 to its FCC Form 471, Genesee listed Clover Technologies, RJ Networking, and MidWest Business. On this attachment, however, Genesee also referenced a fourth funding request for Internet services with service provider Merit Network.<sup>11</sup> No additional materials relating to an agreement with Merit Network were included as part of Attachment 17.

6. On July 16, 1999, in accord with its procedures, SLD issued a RAL to Genesee that listed the three FRNs Genesee had identified in Block 5, item 15; these were the FRNs for Clover Technologies, RJ Consultants, and Merit Network.<sup>12</sup> In a letter filed on August 3, 1999, Genesee requested that SLD modify the RAL to increase funding for the Merit Network FRN, and include an additional funding request for MidWest Business.<sup>13</sup> SLD denied Genesee's request for corrections, on the basis that they were outside the scope of allowable corrections to the funding request.<sup>14</sup>

7. In its Request for Review to the Commission, Genesee claims that its original FCC Form 471 application included Merit Network in the application or, in the alternative, Genesee should have been able to correct the RAL to include Merit Network.<sup>15</sup> We have reviewed the application Genesee filed, as well as all of SLD's records relating to this application, and we conclude that SLD properly declined Genesee's request to modify the application after it was submitted.

8. The record indicates that SLD relied upon the information submitted by Genesee in Block 5 of its FCC Form 471.<sup>16</sup> In light of the thousands of applications that SLD must

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<sup>10</sup> Genesee indicated the Service Provider Identification Number (SPIN) for MidWest Business was 143-004-331, which was an incorrect SPIN. 143-004-331 was actually the SPIN for Merit Network.

<sup>11</sup> Form 471.

<sup>12</sup> Receipt Acknowledgement Letter at 2. A significant amount of confusion resulted from the incorrect SPIN that Genesee listed on item 15, Block 5. When a SPIN is entered into SLD's data entry system, the system automatically assigns the corresponding service provider name. Because Genesee provided the incorrect SPIN for MidWest Business on item 15, Block 5 of its FCC Form 471, Merit Network was listed as the service provider for Genesee's third funding request on the RAL.

<sup>13</sup> Letter from Beverly Knox-Pipes, Genesee Intermediate School District, Flint, Michigan, to the Schools and Libraries Division, Universal Service Administrative Company, filed August 3, 1999. See categories of allowable changes to RAL *supra* note 8.

<sup>14</sup> Administrator's Decision.

<sup>15</sup> See Request for Review.

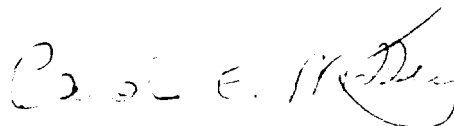
<sup>16</sup> See Form 471.

review and process each year, we find that it is administratively appropriate to require an applicant to be responsible for listing their funding requests on the FCC Form 471. Applicants provide information about these requests and the eligible services that they have ordered in Block 5, items 15 and 16. Genesee did not provide any information about a request for discounts on Internet services at any place in Block 5. While Merit Network was listed on an attachment to Genesee's FCC Form 471, SLD Instructions clearly state that "It is ESSENTIAL that you list on a separate row of item (15) the services ordered from each different service provider."<sup>17</sup> Information listed in an attachment is not an adequate substitute for the entries required by Block 5 of the FCC Form 471.<sup>18</sup> It would significantly increase SLD's administrative costs if it had to examine every different attachment in thousands of applications to determine if an applicant has requested funding for additional services not listed in Block 5.

9. Accordingly, we find that SLD appropriately denied Genesee's request to make certain revisions to its application. Genesee requested that SLD modify the RAL to increase funding for Merit Network, and include an additional funding request for MidWest Business. Although the specific modifications that Genesee requested are complicated by the fact that SLD listed the incorrect service provider identification number for the third funding request, so that SLD issued a RAL for Merit Network instead of MidWest Business, Genesee effectively hoped to modify its application to include a fourth funding request for Internet services from Merit Network. SLD will not permit changes to an application that increase the amount of support requested, or that seek services not initially requested.<sup>19</sup> This administrative practice enables SLD to apply our funding priority rules properly in situations where demand exceeds the annual funding cap. Thus, we do not believe the application should be modified to include a funding request for Internet connections from Merit Network.

10. ACCORDINGLY, IT IS ORDERED, pursuant to authority delegated under sections 0.91, 0.291, and 54.722 (a) of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, and 54.722 (a), that the Request for Review filed by Genesee Intermediate School District on July 31, 2000 is DENIED.

FEDERAL COMMUNICATIONS COMMISSION



Carol E. Matthey  
Deputy Chief, Common Carrier Bureau

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<sup>17</sup> Form 471 Instructions.

<sup>18</sup> Request for review by Broome-Tioga BOCES Consortium, *Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, File No. SLD-112132, DD Docket Nos. 96-45 and 97-21, Order, 15 FCC Rcd 8371 (Com. Car. Bur. 1999), para. 5.

<sup>19</sup> Receipt Acknowledgement Letter at 3.